

FOR IMMEDIATE RELEASE

**For further information, contact  
Dr. Chang Mook Sohn  
(360) 570-6105**

OLYMPIA, September 18, 2000 --- The U.S. economy continues to grow rapidly, in large part because of strong productivity growth. The strong productivity growth makes it possible to have strong income and spending growth in conjunction with low inflation. Higher personal income is the main revision to the Washington economic forecast in the September forecast. In addition, the state's labor market remains healthy. The job growth estimate for 2000 has been revised up to 2.7 percent from 2.0 percent expected in June and the unemployment rate remains below 5 percent. Slightly stronger than expected revenue collections since June also support an increase in the General Fund-State revenue forecast.

The General Fund-State revenue forecast for the 1999-01 biennium is \$21,129.9 million, an increase of \$57.3 million since the June forecast. Collections in the three months since the June forecast was adopted were \$14.7 million higher than expected in June while the forecast for the remainder of the biennium is \$42.6 million higher. The General Fund-State revenue forecast for the next biennium is \$22,766.2 million, an increase of \$161.9 million since the June forecast.

As required by law, optimistic and pessimistic alternative forecasts were developed for the 1999-01 biennium. The forecast based on more optimistic economic assumptions netted \$251 million more revenue than did the baseline forecast while the pessimistic scenario was \$243 million lower. An alternative forecast based on the average view of the Governor's Council of Economic Advisors yielded \$19 million more revenue than did the baseline forecast.

###